



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Imports of Ammonium Sulfate from the People's Republic of China

- On October 25, 2016, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of ammonium sulfate from the People's Republic of China (China).
- The CVD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally-accepted mechanism to seek relief from the market distorting effects caused by injurious subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits a foreign company that sells a product imported into the United States and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce calculated preliminary subsidy rates of 206.72 percent for both mandatory respondents, Wuzhoufeng Agricultural Science & Technology Co. Ltd. and Yantai Jiahe Agriculture Means of Production Co. Ltd., based on adverse facts available. All other producers/exporters in China have been assigned a preliminary subsidy rate of 206.72 percent.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary rates.
- The petitioner for this investigation is PCI Nitrogen, LLC (TX).
- The merchandise covered by this investigation is ammonium sulfate in all physical forms, with or without additives such as anti-caking agents. Ammonium sulfate, which may also be spelled as ammonium sulphate, has the chemical formula $(\text{NH}_4)_2\text{SO}_4$.

The scope includes ammonium sulfate that is combined with other products, including by, for example, blending (*i.e.*, mixing granules of ammonium sulfate with granules of one or more other products), compounding (*i.e.*, when ammonium sulfate is compacted with one or more other products under high pressure), or granulating (incorporating multiple products into granules through, *e.g.*, a slurry process). For such combined products, only the ammonium sulfate component is covered by the scope of this investigation.

Ammonium sulfate that has been combined with other products is included within the scope regardless of whether the combining occurs in countries other than China.

Ammonium sulfate that is otherwise subject to this investigation is not excluded when commingled (*i.e.*, mixed or combined) with ammonium sulfate from sources not subject to this investigation. Only the subject component of such commingled products is covered by the scope of this investigation.

The Chemical Abstracts Service (CAS) registry number for ammonium sulfate is 7783-20-2.

The merchandise covered by this investigation is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheading 3102.21.0000. Although this HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

- In 2015, imports of ammonium sulfate from China were valued at an estimated \$62 million.

NEXT STEPS

- Commerce is scheduled to announce its final determination on or about January 10, 2017, unless the statutory deadline is extended.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of ammonium sulfate from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce's or the ITC's final determination is negative, the investigation will be terminated and no CVD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

PRELIMINARY SUBSIDY RATES:

| COUNTRY | EXPORTER/PRODUCER | SUBSIDY RATES |
|----------------|--|----------------------|
| China | Wuzhoufeng Agricultural Science & Technology Co. Ltd. | 206.72% |
| | Yantai Jiahe Agriculture Means of Production Co. Ltd. | 206.72% |
| | All others | 206.72 % |

CASE CALENDAR:

| EVENT | DATE |
|-------------------------------|-------------------|
| Petition Filed | May 25, 2016 |
| DOC Initiation Date | June 14, 2016 |
| ITC Preliminary Determination | July 9, 2016 |
| DOC Preliminary Determination | October 24, 2016 |
| DOC Final Determination | January 9, 2017† |
| ITC Final Determination** | February 23, 2017 |
| Issuance of Order*** | March 2, 2017 |

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

**This will take place only in the event of an affirmative final determination from Commerce.

***This will take place only in the event of affirmative final determinations from Commerce and the ITC.

IMPORT STATISTICS:

| CHINA | 2013 | 2014 | 2015 |
|----------------------|-----------|------------|------------|
| Volume (metric tons) | 42,900 | 207,700 | 335,300 |
| Value (USD) | 9,159,000 | 54,589,000 | 62,037,000 |

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 3102.21.0000)